

Message Text

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PAGE 01 VIENNA 04120 132130Z

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SUBJECT: ASSESSMENT OF THE HUNGARIAN CROP SITUATION MID-MAY 1975

1. AGATT VISITED CROSS SECTION MAIN AGRICULTURAL AREAS OF HUNGARY END APRIL. BASED ON THIS TRIP AND ON NUMBER DISCUSSIONS HELD WITH MANAGERS OF STATE AND COOPERATIVE FARMS FOLLOWING IS TENTATIVE ASSESSMENT PROSPECTS FOR 1975 CROP:

2. WHEAT PRODUCTION WILL LIKELY SURPASS LAST YEAR'S RECORD 5 MILLION TONS WITH NORMAL WEATHER. WINTER WHEAT APPEARED EVERYWHERE GOOD AND STRONG SO THAT EARLY APRIL FREEZE DID NOT DO DAMAGE TO CROP. TOTAL SOWING AREA UNDER WHEAT STOOD AT 1.3 MILLION HECTARES, SOMEWHAT BELOW 1,325,000 IN 1974. MILD WINTER WAS GOOD FOR WHEAT AND IF WEATHER REMAINS FAVORABLE THERE IS GOOD CHANCE HECTAR YIELD THIS YEAR WILL EXCEED LAST YEAR'S 37.5 QUINTALS AND TOTAL PRODUCTION COULD REACH RECORD. ALTHOUGH SPRING SPRAYING WITH CHEMICALS WAS HINDERED BY HIGH WINDS PARTICULARLY IN CENTRAL HUNGARY, SPRAYING WAS COMPLETED ON SCHEDULE.

3. CORN PRODUCTION GROWN THIS YEAR ON LITTLE OVER 1.46 MILLION HECTARES - A SHADE BELOW 1974 - MAY HAVE DIFFICULTIES SURPASS SUBSTANTIALLY LAST YEAR'S 6.2 MILLION TONS, DESPITE EXPECTATION FOR HIGHER YIELD. COOL WEATHER IN APRIL DELAYED PLANTING OF CORN

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PAGE 02 VIENNA 04120 132130Z

NEARLY ALL OVER HUNGARY. ALTHOUGH SOME MANAGERS DISCOUNTED ADVERSE

EFFECT LATE PLANTINGS ON YIELDS, THERE WERE OTHER DEVELOPMENTS THAT MAY ADVERSELY AFFECT YIELDS. THE EXCESSIVE RAINS OF LAST FALL LEFT SOME GOOD "CORN LAND" UNDER WATER WHICH IN APRIL STILL CONTAINED EXCESSIVE MOISTURE AND FROM WHICH GOOD CORN HARVEST DOUBTFUL. IN CENTRAL HUNGARY FOR EXAMPLE ON STATE FARM (SZOLNOK) WAS FORCED LEAVE 2 PERCENT ITS LAND UNCULTIVATED BECAUSE WATER. THESE WATER PATCHES WERE VISIBLE ALSO IN WESTERN HUNGARY. THERE WERE ALSO REPORTS GOOD QUALITY HYBRID CORN FOR SEED WAS RELATIVELY SHORT THIS YEAR DUE TO LATE YEAR'S HEAVY RAINS DURING CORN HARVEST.

4. AREA FOR SPRING BARLEY WAS INCREASED 10 PERCENT THIS YEAR TO 151,000 HECTARES AND THAT FOR OATS 33 PERCENT TO 43,000 HECTARES.

5. GENERAL CONSENSUS FARM MANAGERS WAS THAT ALL SPRING WORK FOR GRAINS (SOWING) SHOULD BE COMPLETED BY MID-MAY INCLUDING DELAYED PLANTINGS FOR CORN. NOW THAT ALL SPRING-SOWN GRAIN IS IN THE GROUND, A GOOD MAY RAIN WOULD CONTRIBUTE SUBSTANTIALLY TO GOOD GRAIN HARVEST.

6. PLANNED INCREASE IN SUGARBEET PRODUCTION ALMOST CERTAIN TO BE ATTAINED. ALTHOUGH THERE WERE DIFFICULTIES IN PLANTING IN MANY AREAS BECAUSE HIGH WINDS SIMPLY BLEW OFF GROUND PLANTED SUGARBEET SEEDS, (IN CENTRAL AND EASTERN HUNGARY) RE-SEEDING CONTINUED AT FAST PACE. ACCORDING LATEST REPORTS 130,000 HECTARES WERE PLANTED TO SUGARBEETS AGAINST ONLY 125,000 PLANNED, UP FROM 98,000 HECTARES IN 1974. ASSUMING AVERAGE YIELD 350 QUINTALS PER HECTAR SUGAR-BEET CROP COULD REACH 4.5 MILLION TONS, UP FROM 3.66 MILLION IN 1974.

7. OILSEED PRODUCTION TARGETS FOR PLANTED SCREAGE HAVE ALREADY BEEN ACHIEVED (230,000 HECTARES AGAINST 226,000 PLANNED). HOWEVER, PLANNED TREBLING OF SOYBEAN AREA TO 50,000 HECTARES REMAINED CONSIDERABLY SHORT, ONLY 25,000 HECTARES WERE CONTRACTED. SIGNING UP FOR CONTRACT FOR SOYBEAN PRODUCTION WAS SLOW. MANY MANAGERS RELUCTANT TAKE GOOD CORN LAND AWAY FOR A RELATIVELY UNPROFITABLE CROP SUCH AS SOYBEANS. THIS IS PARTICULARLY TRUE IN SOUTHERN HUNGARY. AS RESULT HUNGARY MAY HARVEST ONLY 30,000 TO 35,000 TONS SOYBEANS IN 1975, ABOUT HALF AMOUNT PLANNED.

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PAGE 03 VIENNA 04120 132130Z

8. COMMENTS OF A NUMBER OF FARM MANAGERS INDICATE ALL FARM ENTERPRISES ENJOYED BETTER MATERIAL AND TECHNICAL FACILITIES THIS YEARLY THAN LAST YEAR, THOUGH THERE ARE STILL SOME SHORTAGES PARTICULARLY IN HIGH-POWERED TRACTORS AND HARVESTERS.

9. CONCLUSION. HUNGARY MAY WELL LOOK FOR A RECORD CROP THIS YEAR IF WEATHER COOPERATES. MORE GRAIN WILL SUPPORT THE

EXPANDING LIVESTOCK INDUSTRY, NOTABLY PORK AND POULTRY WHICH IN
TURN WILL REQUIRE MORE HIGH PROTEIN COMPONENTS SUCH AS SOYBEAN
MEALS IN WHICH HUNGARY DEFICIENT. MORE GRAIN WILL ALSO MEAN
INCREASED EXPORT AVAILABILITIES, A WELCOME DEVELOPMENT TO EARN
HARD CURRENCIES WHICH IN TURN WILL PERMIT BUYING THE BADLY NEEDED
WESTERN TECHNOLOGY INCLUDING HIGH CAPACITY AGRICULTURAL MACHINERY.
TOTAL GRAIN EXPORTS (WHEAT AND CORN COMBINED) MAY REACH 2 MILLION
TONS IN 1975. LARGE SUGARBEET CROP WILL PERMIT SUBSTANTIAL
SAVINGS IN HARD CURRENCIES SINCE IT WILL PERMIT REDUCE IMPORTS
OF SUGAR FROM HARD CURRENCY SOURCES. BUCHANAN

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